

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: May 19, 2006

Time of Meeting: 8:15 a.m.

Place of Meeting: Art Pick Council Chamber, City Hall  
3900 Main Street (at Tenth & Main Streets)  
Riverside, California

**PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG**

**Roll Call**

Present: Jim Anderson (Chair)	Bob Stockton
Dave Barnhart	Peter Hubbard
Ken Sutter	Lalit Acharya
Mary Curtin	Robert Elliott

Absent: Joe Tavaglione (absence due to business)  
Mary Curtin (arrived late @ 8:24 a.m.)

***Assistant City Manager Michael Beck attended this meeting.***

**MINUTES**

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on April 21, 2006, 2006 was approved as submitted.

**CITIZENS PARTICIPATION**

No comments were made.

**COMMITTEE REPORTS**

**WATER COMMITTEE REPORT**

The Board of Public Utilities accepted and filed the April 21, 2006, Water Committee minutes.

**FINANCE/MARKETING COMMITTEE REPORT**

The Board of Public Utilities accepted and filed the April 28, 2006, Finance/Marketing Committee minutes.

**PROPERTY COMMITTEE REPORT**

The Property Committee meeting scheduled on May 5, 2006 was cancelled.

**ELECTRIC COMMITTEE REPORT**

The Board of Public Utilities accepted and filed the May 10, 2006, Electric Committee

minutes.

## **PRESENTATIONS**

### **A. PRESENTATION OF RP3 AWARD**

General Manager Dave Wright reported that on April 10, 2006 at the APP A Engineering and Operations Annual Meeting, Riverside Public Utilities was recognized as one of 64 of the nation's more than 2,000 public power utilities to earn Reliable Public Power Provider™ (RP3) recognition from the American Public Power Association for providing its customers with the highest degree of reliable and safe electric service. Receiving an RP3 designation demonstrates a utility's commitment to its employees, its customers, and its community.

Riverside Public Utilities received the Platinum Level recognition with a score of 97.5 out of a possible 100.

Following discussion, the Board of Public Utilities motioned a vote of appreciation to staff.

Motion – Sutter. Second – Acharya.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

### **B. PRESENTATION OF POLARIS AWARD**

General Manager Dave Wright reported that The California Inland Empire Chapter of the Public Relations Society of America (CIEC-PRSA) recently honored Riverside Public Utilities (RPU) for its innovative Employee Recruitment Program.

RPU received the chapter's highest honor of a Polaris Award for its identification and commitment to "attract, develop, and retain quality employees." The creation of this recruitment program directly supports a goal established by the City of Riverside Public Utilities Department and City Council.

***Board Member Mary Curtin joined the meeting at this time (8:24 a.m.).***

## **CONSENT CALENDAR**

A motion was made to approve the following items on the Consent Calendar with the exception of Item 7, **CONSTRUCTION OF THE ARLINGTON AVENUE 12,16, & 20-INCH WATER TRANSMISSION MAIN PROJECT – AWARD BID NO. 6345**, which was moved to the Discussion Calendar:

Motion – Acharya. Second – Sutter.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

### **ELECTRIC ITEMS**

(2) **12 kV UNDERGROUND LINE EXTENSION – THE GROVE BUSINESS CENTER  
WORK ORDER 0501157**

The Board of Public Utilities approved the estimated capital expenditure of \$75,000 to install underground primary line extensions to a commercial building located at 1500 Iowa Avenue at Marlborough Avenue.

(3) **12 kV UNDERGROUND LINE EXTENSION – COMMERCIAL BUILDINGS AT  
19009, 19029, AND 19069 VAN BUREN BOULEVARD  
WORK ORDER 060113-1**

The Board of Public Utilities approved the estimated capital expenditure of \$250,000 to install underground primary line extensions to serve three Commercial Buildings located at 19009, 19029, and 19069 Van Buren Boulevard.

(4) **12 kV UNDERGROUND LINE EXTENSION – COMMERCIAL BUILDINGS AT  
6164, 6210, 6220, 6236, AND 6260 RIVER CREST DRIVE  
WORK ORDER 060113-25**

The Board of Public Utilities approved the estimated capital expenditure of \$95,000 to install underground primary line extensions to five Commercial Buildings located at 6164, 6210, 6220, 6236, and 6260 River Crest Drive.

(5) **12 kV UNDERGROUND LINE EXTENSION – 710-796 PALMYRITA  
WORK ORDER 060113-39**

The Board of Public Utilities approved the estimated capital expenditure of \$200,000 to install underground primary line extensions to 10 Commercial Buildings located at 710-796 Palmyrita at Northgate.

(6) **DOCUMENT IMAGING FOR SUBSTATION DOCUMENTS –  
WORK ORDER 0606330 AND AWARD OF BID NO. 6364**

The Board of Public Utilities:

1. Approved the estimated Work Order 0606330 in the amount of \$135,000 for document imaging for substation documents; and
2. Approved the award of bid to Matrix Imaging, the lowest responsive bidder, in the amount of \$113,835.04 for scanning of documents.

### **WATER ITEMS**

(7) **MOVED TO DISCUSSION**

**OTHER ITEMS**

**DISCUSSION CALENDAR**

(7) **CONSTRUCTION OF THE ARLINGTON AVENUE 12, 16, & 20-INCH WATER TRANSMISSION MAIN PROJECT – AWARD BID NO. 6345**

Staff requested that this item be placed on discussion so Assistant Director/Water Kevin Milligan could give an update on the project. Due to traffic and congestion issues on Arlington Avenue, work schedule would need to shift to night work, which is more costly. Assistant Director/Water Milligan provided a revised recommendation for Board consideration.

**ORIGINAL RECOMMENDATION:**

That the Board of Public Utilities:

1. Authorize a budget transfer of \$1,100,000 from Waterman Avenue Pipeline Replacement Account No. 6230000-470787 to the Water Main Replacement Account No. 6230000-470707 of the Public Utilities' Water Fund;
2. Approve the capital expenditure of \$1,550,000 for Work Orders 0501348 and 704232, which includes all design, construction, contract administration, inspection, and change order contingencies for the Arlington Avenue 12, 16, & 20-Inch Water Transmission Main Project; and
3. Award a contract for the construction of the Arlington Avenue 12, 16, & 20-Inch Water Transmission Main Project, Bid No. 6345, to the lowest responsive bidder, Trautwein Construction, Inc., of Riverside, in the amount of \$1,071,300.

**REVISED RECOMMENDATION:**

Following discussion, the Board of Public Utilities:

1. Authorized a budget transfer of **\$1,300,000** from Waterman Avenue Pipeline Replacement Account No. 6230000-470787 to the Water Main Replacement Account No. 6230000-470707 of the Public Utilities' Water Fund;
2. Approved the capital expenditure of **\$1,710,695** for Work Orders 0501348 and 704232, which includes all design, construction, contract administration, inspection, and change order contingencies for the Arlington Avenue 12, 16, & 20-Inch Water Transmission Main Project;
3. Awarded a contract for the construction of the Arlington Avenue 12, 16, & 20-Inch Water Transmission Main Project, Bid No. 6345, to the lowest responsive bidder, Trautwein Construction, Inc., of Riverside, in the amount of \$1,071,300; and
4. **Authorized the Public Utilities General Manager, or his designee, to approve change orders to the purchase order up to 25 percent of the original amount for Bid No. 6345. Such changes will be reported to the Board of Public Utilities at the conclusion of the project.**

Motion – Acharya. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

(8) LOW INCOME ELDERLY AND DISABLED PROGRAM TO REDUCE UTILITY BILLS THROUGH CONSERVATION AND EFFICIENCY SUPPORT

After a general overview of the Low Income Elderly and Disabled Program, Assistant Director Finance/Customer Relations Jerry Rogers requested conceptual approval for this item and that more details would be brought back to the Board once staff received the okay to proceed.

This program would be implemented on a reactive approach at inception and as the program seasoned as a promotion approach. The program would offer conservation products including installation for qualified customers with additional marketing efforts as this program seasoned.

The Board, after discussion, requested additional information concerning the project's cost of this program and amended the initial recommendation to reflect that request.

Following discussion, the Board of Public Utilities approved and recommended that the City Council:

1. Approve the proposed program to assist low-income elderly and disabled water customers to reduce their utility bills through the conservation and efficiency programs presented in the report;
2. Incorporate the application and qualification process into procedures utilized by low income customers for the Utility User Tax (UUT) and Street Light Assessment District (SLAD) fee refund programs currently administered by the City of Riverside; **and**
3. **Request that staff bring the costs of the program back to the Board of Public Utilities at a future meeting.**

Motion – Stockton. Second – Barnhart.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

(9) QUARTERLY GOALS – UPDATE

General Manager Dave Wright updated the Board on the following goals:

- Ensure Adequate Long-Term Water and Electricity Resources
- Improve and Protect the Current Excellent Financial Health of RPU
- Build and Maintain a Safe and Reliable Infrastructure
- Enhance Community Relations, Customer Satisfaction, and Economic Development
- Attract, Develop and Retain Quality Employees

General Manager Wright also reported that these goals will be taken to the Finance/Marketing Committee to see how we enhance implementation in the future.

The Board of Public Utilities received and filed this update.

(10) ADOPTION OF BOARD OF PUBLIC UTILITIES STANDING RULES

The Board of Public Utilities considered the rules and asked for certain revisions be made to the rules and be brought back to the Board, to include the following:

- (1) reference to any existing law or other authority on which a particular rule is based;
- (2) revision to Rule 2.a (page 2) to reference the City Charter requirement for equal ward representation on the Board; and
- (3) revision to Rule 6.a (page 5) to reference the impending move of the location of Board meetings to Orange Square.

After discussion, the Board requested that this item be continued to the next Board meeting with the new revisions.

Motion – Sutter. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

(11) POWER RESOURCES SUMMER ASSESSMENT

Assistant Director/Resources Gary Nolff reported on the purpose and overview of the following:

- Prudent Utility Practice
- Peak Load Forecast
- Existing Resources
- Forward Contracts

Also Mr. Nolff reported on the projections and policies of the following:

- Projected Peak: 551 MW
- Procurement Guidelines
  - Risk Management Policy
  - Resource Adequacy Program
- Term and New Resources
- State Outlook: Adequate

Following discussion, the Board of Public Utilities received and filed this update.

(12) OFFICE SPACE LEASE AMENDMENT – 3560 UNIVERSITY AVENUE

Following discussion, the Board of Public Utilities approved and recommended that the City Council:

1. Approve the proposed Second Amendment to Office Lease between *RCI University/Jayhawk Properties LLC* and the *City of Riverside*; and
2. Authorize the City Manager, or his designee, to execute the proposed amendment and any other necessary documents.

Motion – Elliott. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Acharya, Elliott, and Hubbard.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)

(13) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES

None.

**DIRECTOR'S REPORT**

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — March 2006
- (C) Financial Statements – March 2006
- (D) Open and Closed Work Orders – April 2006
- (E) Monthly Benchmark Report Cards – April 2006

- (I) Water Treatment System Update  
*Assistant Director/Water Kevin Milligan updated the Board on the water treatment system.*

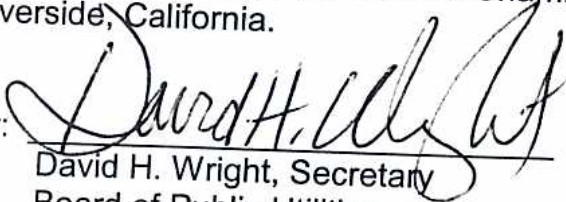
**SYSTEMATIC REPORTING ON CONFERENCES / SEMINARS / BOARD MEETINGS**

Board Chair Jim Anderson reported that he attended the Association of California Water Agencies (ACWA) Spring Conference in Monterey, California, on May 9 to 11, 2006 and distributed a memo (attached) to update the Board on the conference.

**UPCOMING MEETING**

Chairman Jim Anderson adjourned the meeting at 10:04 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, June 2, 2006**, at **8:15 a.m.** in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By:

  
David H. Wright, Secretary  
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: June 2, 2006



TO: Riverside Public Utilities Board

FROM: James Anderson, Member

DATE: May 19, 2006

RE: Association of California Water Agencies (ACWA) Meeting May, 2006

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I attended the ACWA Spring Conference in Monterey from May 9 to May 11, 2006. The following are matters that I found significant in the water community of California that were presented at this Conference.

1. **Endangered Species Act:** The Pre Conference workshop was on the revision of the Endangered Species Act (ESA). ACWA supports the proposed legislation which is being carried by California Congressman Pomobo. The legislation has passed the House, but may not get through the Senate. The legislation would impose severe restrictions on the U.S. Fish and Wildlife Service and others that are involved in protection of endangered or threatened species. One provision would allow a developer to recover the "anticipated" profits if a development was stopped because of an endangered species. Several speakers indicated that there are some success stories on being able to protect species and habitat. Unfortunately, the public water and power agencies are not supportive of minor modifications to this 30-year law, and would prefer that major changes be adopted. It is unlikely, that modification will occur with the election near.
2. **Groundwater Monitoring:** The USGS is conducting a systematic basin-by-basin monitoring of groundwater for "emerging pollutants". These are pesticides, and pharmaceuticals that might be present. These are being found in the Orange County area but are not at levels of health significance. At the present 20 types of chemicals are being sampled and researched to determine if there is any environmental damage at the levels of detection.
2. **Santa Ana Regional Board:** The Santa Ana Regional Water Quality Control Board has drafted new regulations to restrict the recharge of imported water, some well water, and urban runoff within the Upper Santa Ana Watershed. According to the Executive Officer of the Board, who was invited at the last minute to speak, these regulations are necessary to restrict the importation of additional salt and nitrate within the watershed to prevent degradation of the water. There is great consternation about this proposed action because of the environmental and economic consequences involved if this water is restricted for recharge of the groundwater. The Regional Board has agreed to suspend adoption until July 2006, to give the concerned water agencies and their attorneys and opportunity to object or negotiate a means of alternative action.
3. **New Water Rights Opinion:** A new water rights decision has been adopted by the California Court of Appeal regarding the determination of water rights for releases from dams. The opinion was written by Associate Justice Ronald Robie, who was formerly Director of the Department of Water Resources and Vice Chairman of the

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State Water Resources Control Board. It was the general consensus of the attorneys participating in the panel discussion, representing both sides of the issue, the because the opinion is so well written to protect both the water rights and water quality that the waters of California can be better managed.